

VZCZCXYZ0000  
OO RUEHWEB

DE RUEHBU #1929/01 2372019  
ZNR UUUUU ZZH  
O 252019Z AUG 06  
FM AMEMBASSY BUENOS AIRES  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5698  
INFO RHMFISS/CDR USSOCOM MACDILL AFB FL//SCJ2//  
RULGPPA/USCOMSOLANT

UNCLAS BUENOS AIRES 001929

SIPDIS

STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC,  
WHA/EPSC  
CDR USSOCOM FOR J-2 IAD/LAMA

SIPDIS

E.O. 12958: N/A

TAGS: [KPAQ](#) [OPRC](#) [KMDR](#) [PREL](#) [MEDIA](#) [REACTION](#)

SUBJECT: WAR IN LEBANON; WAR ON TERRORISM; ARGENTINE NUCLEAR PLANS  
AND USG SUPPORT FOR THEM; USTR SCHWAB'S STATEMENTS ON GLOBAL TRADE;  
08/25/06

## 1. SUMMARY STATEMENT

Today's major international stories include the implications of the war in Lebanon; the ongoing war on terrorism; USG's support for Argentina's nuclear program; and USTR Susan Schwab's statement that the US does not believe it should revive global commercial talks through a unilateral proposal to open US markets.

## 2. OPINION PIECES AND KEY STORIES

- "Peace should be signed with the enemy"

Left-of-center "Pagina 12" carries an opinion piece by political analyst Alejandro Horowicz, who writes (08/25) "... The conflict in the Middle East does not have a military solution. Exterminating the enemy is only possible when every falling combatant cannot be replaced. On the contrary, this policy not only does not exterminate him but recruits new militants that are increasingly convinced that the armed fight is the only choice available.

"The Israeli government is implementing an inconsistent policy. By putting an end to the fight in Lebanon it implicitly admits that there is no military solution available, but at the same time it does not believe that there is a political solution. In this way, it rejects the possibility that peace can be attained.

"Peace can only be attained by warring states... Peace should be signed with the enemy. Otherwise, war becomes genocide.

"The greatest danger for the existence of the State of Israel is its current government."

- "In defense of freedom"

Daily-of-record "La Nacion" (08/25) carries an opinion piece by Marcelo Birmajer, writer, who writes (08/25) "... Terrorists know exactly what they are doing. If they do not manage to massacre the largest number of people, which is their main purpose, they are satisfied with having imposed on us their main political objective - the restriction of our public liberties.

"Lastly, this is a confrontation between two systems - on one hand, the imperfect liberal democracies, with their freedom of international circulation, their liberties and public guarantees, which prevail in most Western Europe, most Eastern Europe, South America and North America. On the other hand, the perfect totalitarian regimes, just like the Iran of Khomeini and his successors, the ended Afghanistan of the Taliban, or the warring Syria of Assad.

Unluckily, it is not perceived that most current intellectuals who today enjoy their public liberties in the jeopardized parts of the world where these liberties are still in force have joined a consistent clamor against this threat."

- "The US supports the Argentine Government's nuclear program"

Mariano Obarrio, political columnist of daily-of-record "La Nacion," writes (08/25) "Yesterday, the US Embassy notified that the USG approves of and supports the nuclear program announced by the Nestor Kirchner administration because it complies with international treaties. Nonetheless, the USG expressed its wish that when 'deepening its plan,' Argentina makes sure that its actions will be in alignment with non proliferation principles.

"The nuclear energy program entails the completion of nuclear centrals aimed at increasing the supply of electric energy.

"The US Embassy's spokesperson, Mara Tekach, asserted that 'the US strongly promotes the extensive use of clear, innocuous and safe nuclear energy.' And she added 'in this framework, we support Argentina's decision to make progress on its nuclear program.'

"Nevertheless, the USG added 'we hope that in deepening its nuclear energy program, Argentina will make sure that its actions are in alignment with the sound non proliferation credentials it has exhibited so far.'

"This last paragraph could well be interpreted as a warning from Washington on an issue that the White House considers a foreign policy strategic top priority. In any event, it will be a key element in the US-Argentina bilateral relationship.

"In recent times, this relationship has been stalled, regardless of Kirchner's plans to visit the US by mid-September to attend the UN General Assembly.

"The USG closely follows nuclear energy programs all over the world due to latent threat posed by some countries that could decide to manufacture the atomic bomb. It also closely follows the increasingly close ties between Argentina and Venezuelan President Hugo Chavez, an ally of Iran. Iran is precisely the country that has been most questioned by Washington due to its nuclear program.

"The Government's plan to produce more nuclear energy only has one main reason - the completion of Atucha II by 2010 with a total investment of 1.8 billion dollars.

"... Tekach said that Argentina 'is a strong international partner and ally' on non proliferation issues and the promotion of peaceful uses of nuclear energy.

"She emphasized that Argentina ratified the Non Proliferation Treaty, is a member of the Group of Nuclear Suppliers and supported the Treaty of Tlatelolco. Tekach asserted that Argentina 'is one of the ten countries that have a working enriched uranium factory in the framework of the USG policy.'"

- "The US asks for more guarantees in exporting nuclear technology"

Daniel Santoro, political columnist of leading "Clarín," writes (08/25) "The US has asked the (Argentine) Government to 'make sure' that the decision it made to restart the production of enriched uranium... will not contribute to transferring this technology to third countries, in a veiled reference to Venezuela.

"... In addition to completing Atucha II nuclear central, one of the points of the plan is reactivating the enriched uranium program. This is dual technology - it can be used to produce electric energy, as wanted by the Argentine Government, but it can also be used to manufacture an atomic bomb, as the US suspects Iran is doing. An Embassy source underscored that 'Argentina is not Iran.'

"... The head of the Foreign Ministry Nuclear Issues Division, Elsa Kelly, said yesterday that 'the US may rest assured that Argentina's political vocation has always been to honor non proliferation principles.'

"In contrast to the Menem administration, the current Argentine government is attempting to maintain Argentina within the select club of ten countries manufacturing enriched uranium. Perhaps, it did not take into account that the US closely follows every technological step that could lead to the manufacture of the bomb. The best response to this is Argentina's history as a transparent and pacifist country."

- "Venezuela, a recurring concern for Washington"

Walter Curia, columnist of leading "Clarín," writes (08/25) "... Argentina's announcement that it would re-launch its nuclear program coincided with the Bush administration's rejection of an offer from the Iranian government to negotiate the extent of its nuclear program. This was an unhappy coincidence.

"The US Embassy spokesperson, Mara Tekach, advanced the content of a USG statement about a cautious request for guarantees on the final purpose of the civil program, and she dismissed 'frictions' about the issue.

"The US Embassy's release clearly states that Washington 'supports' the Argentine decision to make progress on its nuclear development plan. With the same transparency, it assumes its 'opposition' to the 'dissemination' of said technology. It did not need to mention Venezuela, which is currently an important commercial partner of Argentina."

- "The US will not make a new proposal on (farm) subsidies"

Business-financial "Ambito Financiero" reports (08/25) "According to USTR Susan Schwab, the US does not believe it should revive global commercial talks through a unilateral proposal to open US markets even further.

"The USG official said that the US still expects to reach an agreement on a new world commercial pact before the White House's fast track authority expires in July 2007.

"However, Schwab also made it clear that the US does not intend to revive stalled negotiations through a unilateral offer. Schwab said 'it is quite clear that the US cannot and will not be able to revive (negotiations) on its own.'

"The USG official said that, realistically speaking, a deal should have been reached last month in order to honor the July 2007 deadline. 'We obviously did not manage to reach a deal, but we have not dismissed it.'

"Schwab added that 'trying to revive the Doha Round is imperative' and explained that this is the key to alleviating poverty and increasing world economy growth."

### 13. EDITORIALS

- "The challenges posed by the energy crisis"

An editorial in daily-of-record "La Nación" reads (08/25) "The signs of the energy crisis started to become obvious last summer... In order to face this chronic problem, the Government has implemented a series of projects, one of which is that of completing Atucha II works.

"... It is quite logical that Argentina deepens the development of its nuclear energy for electric generation. However, it is necessary to guarantee that it will be made with peaceful use and that every progress in this field will not jeopardize the environment.

"... The completion of Atucha II was also announced at a cost of 1.8 billion dollars. It is expected to be working by 2010...

"The electric crisis makes it imperative to change the price policy and the regulations imposed on the sector. The consequences of the mistakes that have already been made seem inevitable. However, the

longer the delay in implementing changes, the greater the costs and the more difficult the solution."

- "The nucleus of the question"

Liberal, English-language "Buenos Aires Herald" editorializes (08/25) "Perfect timing as always from the Nestor Kirchner administration - just when most of the world is alarmed by the nuclear antics of such rogue states as Iran and North Korea, this government goes ahead and announces a nuclear program with only an insistence on 'peaceful uses' to save it from charges of total autism. Brazil's problems in recent years with the International Atomic Energy Agency (IAEA) show that even a vast distance from the fault lines of global conflict is no guarantee against outside scrutiny."

"Yet Kirchner's nuclear drive is largely fuelled by domestic needs, both genuine and political... There can be no doubt that the government is taking energy shortages seriously with this plan but it also needs to answer some questions if it wishes to banish any suspicions of a new slush fund in the making. We are given to understand that the plan entails the investment of 3.5 billion dollars over the next eight years in pursuit of five specific objectives - namely, lengthening the Embalse nuclear reactor's useful life by a further 25 years, expanding heavy water production at Arroyito, completing the construction of the Atucha II nuclear reactor by 2010, carrying out feasibility studies for a possible 4th reactor... and renewing the uranium enrichment program. The first two objectives are to cost 600 million dollars while a similar sum (1.8 billion pesos) was announced for the completion of Atucha II. This leaves a huge grey area of over two billion dollars for a possible 4th reactor and uranium enrichment - the former might well arouse suspicions of a new Yacyreta at home while the later could stir even worse anxieties abroad."

To see more Buenos Aires reporting, visit our classified website at:  
<http://www.state.sgov.gov/p/wha/buenosaires>

MATERA